

The Honorable J. Dennis Hastert  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

At the direction of the President, I am pleased to notify the Congress of the United States' ongoing negotiations with Singapore on a free trade agreement (FTA). This notification is in accordance with section 2106(b)(2)(A) of the Trade Act of 2002. It is crucial that we move forward on this and other trade agreements in order to restore America's leadership on trade.

The Administration is committed to bringing back trade agreements that open markets to benefit our farmers, workers, businesses, and families. With the Congress' continued help we can move promptly to advance America's trade interests. Concluding our ongoing negotiations with Singapore is an important first step.

In my letter of August 22, 2002, to the Congressional leadership and trade committees, I outlined the reasons that it is in the United States' interest to pursue an FTA with Singapore. An FTA with Singapore will foster economic growth and create higher paying jobs in the United States by reducing and eliminating barriers to trade and investment. The agreement will not only improve market opportunities for U.S. goods and services exports, but it may also serve as a model for the Asia-Pacific region, encouraging trade liberalization, regulatory reform and transparency. An FTA will offer important benefits to U.S. workers, ranchers, farmers, and businesses while reinforcing important American values in the region.

As with Chile, President Clinton called for and began negotiations with Singapore in December 2000. In deciding to initiate negotiations with Singapore, we have taken into account the size of its trade with the United States, its importance in the region, and its history as an advocate of trade liberalization. The agreement is nearing completion.

The negotiations on this FTA have been conducted in a transparent manner to ensure that businesses, labor organizations, non-governmental organizations, state and local governments, and the public are kept informed and have ample opportunity to provide views. We have completed draft environmental review of this agreement, and are accepting public comment on it. The Administration has endeavored to keep Congress fully informed on the status of negotiations. USTR staff has provided periodic briefings to the House Committee on Ways and Means and the Senate Committee on Finance, as well as other committees with interests in the negotiations. USTR staff has also provided focused briefings for individual Members' staffs on specific issues.

We have consulted extensively with Members of Congress since initiation of the negotiations with Singapore, and we believe that there is broad bipartisan interest in such an agreement. The Administration will continue to consult closely with Congress, including the new Congressional Oversight Group.

Our specific objectives for the negotiations with Singapore are as follows:

- *Trade in Goods:*
  - Seek to eliminate tariffs and other duties and charges on trade between Singapore and the United States on the broadest possible basis, subject to reasonable adjustment periods for import-sensitive products.
- *Customs Matters, Rules of Origin and Enforcement Cooperation*
  - Seek rules to require that Singapore's customs operations are conducted with transparency, efficiency, and predictability and customs laws, regulations, decisions, and rulings are not applied in a manner that would create unwarranted procedural obstacles to international trade.
  - Seek rules of origin, procedures for applying these rules, and provisions to address circumvention matters that will ensure that preferential duty rates under the FTA with Singapore apply only to goods eligible to receive such treatment, without creating unnecessary obstacles to trade.
  - Seek terms for cooperative efforts with Singapore regarding enforcement of customs and related issues, including trade in textiles and apparel and endangered species.
- *Sanitary and Phytosanitary (SPS) Measures:*
  - Seek to have Singapore reaffirm its WTO commitments on SPS measures.
  - Seek to strengthen bilateral collaboration in matters under the WTO SPS Agreement.
- *Technical Barriers to Trade (TBT):*
  - Seek to have Singapore reaffirm its WTO TBT commitments.
  - Seek to strengthen bilateral collaboration on implementation of the WTO TBT Agreement and create a procedure for exchanging information with Singapore on TBT-related issues.

- *Intellectual Property Rights:*

- Seek to establish standards that build on the foundations established in the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPs Agreement) and other international intellectual property agreements, such as the World Intellectual Property Organization Copyright Treaty and Performances and Phonograms Treaty, and the Patent Cooperation Treaty.
- Seek to enhance the level of Singapore's protection for intellectual property rights beyond TRIPS in new areas of technology, such as internet service provider liability, and seek commitments from Singapore to develop laws and enforcement mechanisms to eliminate optical disc piracy.
- In other areas, such as patent protection and protection of undisclosed information, seek to have Singapore apply levels of protection and practices more in line with U.S. law and practices, including appropriate flexibility.
- Seek to strengthen Singapore's domestic enforcement procedures, such as by ensuring that Singaporean authorities seize suspected pirated and counterfeit goods, equipment used to make such goods or to transmit pirated goods, and documentary evidence. Seek to strengthen measures in Singapore that provide for compensation of right holders for infringements and to provide for criminal penalties under Singaporean law that are sufficient to have a deterrent effect on piracy and counterfeiting.

- *Trade in Services:*

- Pursue disciplines to address discriminatory and other barriers to trade in Singapore's services markets. Pursue a comprehensive approach to market access, including any necessary improvements in access to financial services, professional services, express delivery and other sectors.
- Seek improved transparency and predictability of Singaporean regulatory procedures, specialized disciplines for financial services and additional disciplines for telecommunication services and other sectors as necessary.

- *Temporary Entry of Business Persons*

- Seek appropriate provisions to ensure that Singapore will facilitate the temporary entry of U.S. business persons into its territory, while ensuring that any commitments by the United States are limited to temporary entry provisions and do not require any changes to U.S. laws and regulations relating to permanent immigration and permanent employment rights.

- *Investment:*
  - Seek to establish rules that reduce or eliminate artificial or trade-distorting barriers to U.S. investment in Singapore, while ensuring that Singaporean investors in the United States are not accorded greater substantive rights with respect to investment protections than U.S. investors in the United States, and to secure for U.S. investors in Singapore important rights comparable to those that would be available under U.S. legal principles and practice.
  - Seek to ensure that U.S. investors receive treatment as favorable as that accorded to domestic or other foreign investors in Singapore and to address unjustified barriers to the establishment and operation of U.S. investments in Singapore. Provide procedures to resolve disputes between U.S. investors and the government of Singapore that are in keeping with the trade promotion authority goals of being expeditious, fair and transparent.
- *Electronic Commerce:*
  - Seek to affirm that Singapore will allow goods and services to be delivered electronically and seek to ensure that Singapore does not apply customs duties to digital products or unjustifiably discriminate among products delivered electronically.
- *Government Procurement:*
  - Both the United States and Singapore are parties to the WTO Government Procurement Agreement (GPA) and, thus, our objective is to expand U.S. market access to Singapore's government procurement market, particularly for services, and to lower procurement threshold values for goods.
  - Address coverage of Singapore's government-linked companies.
- *Transparency/Anti-Corruption/Regulatory Reform:*
  - Seek to make Singapore's procedures for administering trade-related measures fairer and more transparent, including by ensuring that interested parties can have timely access to information on measures and Singapore's procedures for administering them. Seek rules that will permit timely and meaningful public comment before Singapore adopts trade-related measures.
  - Seek to ensure that Singapore enforces its prohibitions on corrupt practices affecting international trade.

- *Trade Remedies:*
  - Provide a bilateral safeguard mechanism during the transition period.
  - Make no changes in U.S. antidumping and countervailing duty laws.
- *Competition*
  - Address such issues as anticompetitive business conduct, state monopolies, state enterprises, and government-linked companies. Seek cooperation and consultation provisions that foster cooperation on competition law and policy, and that provide for consultations on specific problems that may arise.
- *Environment:*
  - Seek to promote trade and environment policies that are mutually supportive.
  - Seek an appropriate commitment by Singapore to the effective enforcement of its environmental laws.
  - Establish that Singapore will strive to ensure that it will not, as an encouragement for trade or investment, weaken or reduce the protections provided for in its environmental laws.
  - Seek to develop ways to work with Singapore, including through consultative mechanisms, to address environmental issues of mutual interest.
- *Labor, including Child Labor:*
  - Seek an appropriate commitment by Singapore to the effective enforcement of its labor laws.
  - Establish that Singapore will strive to ensure that it will not, as an encouragement for trade or investment, weaken or reduce the protections provided for in its labor laws.
  - Establish procedures for consultations and cooperative activities with Singapore to strengthen its capacity to promote respect for core labor standards, including compliance with ILO Convention 182 on the worst forms of child labor.
- *State-to-State Dispute Settlement:*
  - Encourage the early identification and settlement of disputes through consultation.

- Seek to establish fair, transparent, timely, and effective procedures to settle disputes arising under the agreement.

In addition, the FTA will take into account other legitimate U.S. objectives including, but not limited to, the protection of legitimate health or safety, essential security, and consumer interests.

We are committed to concluding these negotiations with timely and substantive results for U.S. ranchers, farmers, businesses, and families by pursuing these specific objectives and the overall and principal U.S. negotiating objectives and priorities set out in the TPA Act. We look forward to continuing to work with the Congress as we move forward in our negotiations with Singapore and bring them to a successful conclusion.

Sincerely,

Robert B. Zoellick